

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: Generations on 1 st LLC, Debtor.	Case No.: 25-30002 Chapter 11
In Re: Parkside Place LLC, Debtor.	Case No.: 25-30003 Chapter 11

**RED RIVER STATE BANK'S SECOND MOTION FOR ENTRY OF AN ORDER
PURSUANT TO BANKRUPTCY RULE 2004**

Red River State Bank ("RRSB") files this motion (the "Motion") seeking entry of an order¹ authorizing it to subpoena certain account information from First Community Credit Union and Starion Financial. In support of this Motion, RRSB respectfully represents as follows:

JURISDICTION

1. The United States Bankruptcy Court for the District of North Dakota (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

¹ The proposed form of order is attached hereto as Exhibit A.

3. The statutory bases for the relief requested in this Motion are 11 U.S.C. §§ 105(a) and 362(a) and Rule 2004 of the Federal Rules of Bankruptcy Procedure.

RELIEF REQUESTED

4. RRSB previously filed a motion for relief pursuant to Rule 2004 (the “Original 2004 Motion”), and this Court previously entered an order dated March 21, 2025 [ECF 83] authorizing RRSB to issue a subpoena to Town and Country Credit Union (“TCCU”) seeking copies of bank statements, checks (front and back), wire transfer records, deposits, etc., for the accounts of Debtors and their Affiliates² for the time period 2020 to present.

BASIS OF RELIEF

5. Rule 2004 provides the courts with authority to order examinations regarding a debtor’s finances and other matters affecting estate administration.³ A Rule 2004 examination is broader in the scope than discovery under Rule 26 of the Federal Rules of Civil Procedure.⁴ The request for discovery concerning the debtor’s assets and financial affairs may include examination of the debtor as well as third parties.⁵

² The Debtors’ “Affiliates” include The Ruins, LLC; The Lofts, LLC; Craig Development, LLC; Craig Holdings, LLC; Craig Properties, LLC; CP Business Management, Inc.; Prevail, LLC; Jesse Craig; and Mulinda Craig.

³ *In re Hughes*, 281 B.R. 224, 226 (Bankr. S.D.N.Y. 2002) (holding that Rule 2004 “provides courts with the authority to order examinations with respect to the financial matters of debtors as well as other matters affecting the administration of the estate”).

⁴ *In re Hentz*, Case No. 12-30114, 2012 WL 2263121, at *2 (Bankr. D.N.D. June 18, 2012) (“The scope of a Rule 2004 examination is broader than the scope of discovery under Rule 26 of the Federal Rules of Civil Procedure.” (citing *In re Apex Oil Co.*, 101 B.R. 92, 102 (Bankr. E.D. Mo. 1989))).

⁵ *Id.* (quoting *In re Apex Oil Co.*, 101 B.R. at 102). In ruling on a Rule 2004 information request, “section 105(a) of the Bankruptcy Code ‘sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.’” *Hughes*, 281 B.R. at 226 (quoting *In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986)).

6. As RRSB has continued its investigation into the Debtors' affairs, it has learned the Debtors and their Affiliates may have held accounts and/or made transfers to accounts at two additional banks: First Community Credit Union and Starion Financial (together, the "Additional Banks"). RRSB previously explained the Debtors' history and various discrepancies in their financial affairs in the Original 2004 Motion. RRSB is seeking discovery from the Additional Banks for the same reason it required discovery from TCCU in the Original Motion.

7. At a minimum, stakeholders must confirm whether there are accounts currently held by the Debtors or their Affiliates at the Additional Banks to ensure that all estate property is accounted for and available for the benefit of creditors. RRSB also has reason to examine transfers to and from such accounts to determine whether the estate may have causes of action under chapter 5 of the Bankruptcy Code against insiders or other third parties.

8. As explained in the Original 2004 Motion, the Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs in these cases fail to disclose any transactions with Debtors' insiders and other related parties. RRSB has already identified several transactions not disclosed by Debtors, thus RRSB is certain the requested information is necessary to accurately revise the Schedules in this case.

9. Without accurate information about estate property and possible chapter 5 causes of action, it will be impossible to solicit a plan and disclosure statement in these cases. For all the foregoing reasons, the requested discovery is justified and well within the scope of Rule 2004.

10. RRSB also remains hopeful that a potential reorganization plan will bring an end to the extensive litigation surrounding this case, including a global resolution of all claims

between Debtors and their various insiders and affiliates. The information to be subpoenaed from the Additional Banks is therefore necessary to enable key constituents to conduct informed discussions around Debtors' ultimate exit from Chapter 11.

11. As the constituency with the largest pecuniary interest in this case, RRSB should be entitled to fulsome discovery regarding Debtors' financial affairs, and the other various insider dealings in these cases. The significant overlap between Debtors and their principals makes such discovery even more essential, and much less intrusive.

12. Given the broad scope of allowable Rule 2004 examinations, the narrowly tailored and important requests are set forth herein merit approval.

NOTICE

13. RRSB shall provide notice of this Motion on the date hereof to (i) counsel for Debtors and the Ruins, LLC, (ii) the Office of the United States Trustee, (iii) The Lofts, LLC, Jesse Craig, Mulinda Craig, Craig Development, LLC, Craig Holdings, LLC, Craig Properties, LLC, CP Business Management, Inc., and/or Prevail, LLC; and (iv) those parties that have requested notice pursuant to Bankruptcy Rule 2002. RRSB submits that, in light of the nature of the relief requested, no other further notice need be given.

NO PRIOR REQUEST

14. The relief described in this motion has not previously been requested directly from the Additional Banks in this or any other court. RRSB remains open to informally resolving this Rule 2004 motion with the Debtors and their Affiliates.

RELIEF REQUESTED

15. WHEREFORE, RRSB respectfully requests that the Court enter an Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Motion by allowing RRSB to subpoena the Additional Banks.

Dated this 10th day of April, 2025.

VOGEL LAW FIRM

BY: /s/ Caren W. Stanley
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ATTORNEYS FOR RED RIVER STATE
BANK

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: Generations on 1 st LLC, Debtor.	Case No.: 25-30002 Chapter 11
In Re: Parkside Place LLC, Debtor.	Case No.: 25-30003 Chapter 11

**ORDER GRANTING RED RIVER STATE BANK’S MOTION FOR ENTRY OF AN
ORDER REQUIRING CERTAIN ENTITIES TO PROVIDE INFORMATION
PURSUANT TO BANKRUPTCY RULE 2004**

RRSB⁶ filed a motion for entry of an order pursuant to Federal Rule of Bankruptcy Procedure 2004 (this “Order”). Based upon the motion and timely filed responses, if any, and for the reasons stated on the records:

IT IS ORDERED:

1. The motion is granted.
2. RRSB may issue a subpoena to First Community Credit Union and Starion Financial for 2020-present for copies of bank statements, checks (front and back), wire transfer records, deposits, etc. for the accounts of Debtors and its Affiliates.

⁶ Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Motion.

3. RRSB is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

4. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2025

The Honorable Shon Hastings
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: Generations on 1 st LLC, Debtor.	Case No.: 25-30002 Chapter 11
In Re: Parkside Place LLC, Debtor.	Case No.: 25-30003 Chapter 11

**RED RIVER STATE BANK'S NOTICE OF SECOND MOTION
FOR ENTRY OF AN ORDER REQUIRING CERTAIN ENTITIES
TO PROVIDE INFORMATION PURSUANT TO BANKRUPTCY RULE 2004**

NOTICE IS HEREBY GIVEN that Red River State Bank has filed a Second Motion for Entry of an Order Requiring Certain Entities to Provide Information Pursuant to Bankruptcy Rule 2004, a copy of which is herewith served upon you.

NOTICE IS FURTHER GIVEN that written objections to said motion, if any, shall be filed with the Clerk of the United States Bankruptcy Court, whose address is 655 First Avenue North, Suite 210, Fargo, ND 58102-4932, with a copy mailed to counsel for Red River State Bank, whose name and address is listed below, within fourteen (14) days from the date of the mailing of this Notice. Any objections not filed and served may be deemed waived.

Dated this 10th day of April, 2025.

VOGEL LAW FIRM

BY: /s/ Caren W. Stanley

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ATTORNEYS FOR RED RIVER STATE
BANK

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In Re: Generations on 1 st LLC, Debtor.	Case No.: 25-30002 Chapter 11
In Re: Parkside Place LLC, Debtor.	Case No. 25-30003 Chapter 11 (Jointly Administered)

CERTIFICATE OF SERVICE

STATE OF NORTH DAKOTA)
) SS
COUNTY OF CASS)

Sonie Thompson, being first duly sworn, does depose and say: she is a resident of Cass County, North Dakota, of legal age and not a party to or interested in the above-entitled matter.

On April 10, 2025, affiant caused the following document(s):

- 1. RED RIVER STATE BANK'S NOTICE OF SECOND MOTION FOR ENTRY OF AN ORDER PURSUANT TO BANKRUPTCY RULE 2004;**
- 2. RED RIVER STATE BANK'S SECOND MOTION FOR ENTRY OF AN ORDER PURSUANT TO BANKRUPTCY RULE 2004;**

to be served electronically on all ECF participants:

Counsel for Debtors and The Ruins

Maurice VerStandig
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Office of the United States Trustee

Robert B. Raschke
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Sarah J. Wencil on behalf of U.S. Trustee Robert B. Raschke
sarah.j.wencil@usdoj.gov

and to be served by United States postal mail on:

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Jesse Craig
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Craig Holdings, LLC
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Craig Properties, LLC
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CP Business Management, Inc.
Jesse Craig, Registered Agent
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Prevail LLC
Lisa Carrico, Registered Agent
657 West Kemp Avenue
Watertown, SD 57201

/s/ Sonie Thompson

Sonie Thompson

Subscribed and sworn to before me this 10th day of April, 2025.

/s/ Justin Schares

(SEAL)

Notary Public, Cass County, North Dakota